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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: DECEMBER 16 EA PRESS SUMMARY

1. JAPAN

JAPAN/US WOUND UP 4 DAYS INTENSIVE TRADE TALKS THURS, W/US
OFFICIALS STILL DISSATISFIED OVER TOKYO'S EFFORTS REDUCE
TRADE SURPLUS. AT JOINT PRESS CONF THURS, STRAUSS/USHIBA
INDICATED JAPAN AGREED ADOPT 7 PCT ECON GROWTH TARGET NEXT
YEAR, MOVE WHICH STRAUSS TERMED "MAJOR STEP FORWARD" W/POS-
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SIBLE "FAR-REACHING EFFECTS." ON TALKS IN GENERAL, STRAUSS
SAID JAPAN HEADED IN RIGHT DIRECTION, BUT HAS "LONG WAY TO
GO." USHIBA CITED "PROGRESS" IN TALKS, BUT SAID HE WAS
NEITHER OPTIMISTIC NOR PESSIMISTIC ABOUT EVENTUAL OUTCOME
(FARNSWORTH, NYT; JOC; REUTER'S NEWMAN; WSJ; SUN).

WP'S ROWEN QUOTES "HIGH" DOS OFFICIAL WHO SAID WEDS THAT
THERE IS "REAL, CONCEPTUAL DIFFERENCE" BETWEEN US/JAPAN ON
TRADE ISSUE, THAT JAPAN HAS "INTERNATIONAL RESPONSIBILITY"
SHARE "WORLD-WIDE OIL CARTEL DEFICIT." IN WP INTERVIEW

THURS, USHIBA ACKNOWLEDGED "DIFFERENCE OF OPINION" ON CURRENT ACCOUNT ISSUE/PREDICTED JAPAN MIGHT EVENTUALLY WORK ITS WAY OUT OF SURPLUS, BUT COULD NOT MAKE IT "PRIORITY OBJECTIVE."

NEWMAN (REUTER) NOTES AFTER MTG W/USHIBA THURS, PRES CARTER COMMENTED THAT US HOPES "MAKE PROGRESS IN THE FUTURE"/TERMED THIS WK'S TALKS "GOOD FIRST STEP" TOWARDS RESOLVING BILAT TRADE PROBLEMS.

GOJ HAS ASKED CHIEFS OF JAPAN'S 9 LEADING TRADING COMPANIES TO STEP UP IMPORTS MFRD GOODS. EVEN AS THEY AGREED TRY, MERCHANT LEADERS EXPRESSED DOUBTS ABOUT WHAT THEY COULD ACCOMPLISH W/O CHANGES IN GOVT POLICIES/ECON CONDITIONS. US OFFICIALS PRONOUNCED MOVE "HOPEFUL" DEVELOPMENT (MARTIN, SUN TOKYO).

CULLISON (JOC TOKYO) REPORTS JAPANESE MONETARY EXPERTS SERIOUSLY WARNING THAT JAPAN MIGHT BE FORCED ANNOUNCE EMERGENCY CLOSE ITS FOREX MARKETS IF YEN CONTINUES SKYROCKET IN VALUE AGAINST DOLLAR. MONETARY TRADING SPECIALISTS SAY THIS MAY BE ONLY WAY KEEP YEN FROM APPRECIATING FURTHER, ASIDE FROM GOJ OFFERING WASHINGTON UNCLASSIFIED

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ANOTHER TRADE SURPLUS REDUCTION PKG BETTER DESIGNED MEET US WISHES.

AP (SUN) SAYS COLORTV INDUSTRY IN TRANSITION AS US FIRMS MOVE PLANTS OVERSEAS/JAPANESE FIRMS DECIDE BUILD IN US. CITES SONY/MATSUSHITA/SANYO/TOSHIBA SHIFTS TO US, WHICH INDUSTRY EXPERTS SEE AS "END-RUN" AROUND TV IMPORT RESTRICTIONS.

JAPAN MOVED AGGRESSIVELY ON TOKYO FOREX MARKET THURS TO DEFEND SAGGING DOLLAR, BUT W/ONLY MILD SUCCESS. BANK OF JAPAN BELIEVED TO HAVE BEEN ONLY BUYER OF DOLLARS AS 883 MILLION DUMPED BY TRADERS FOR SPOT DELIVERY. FIGURE MARKED HIGHEST TURNOVER ON SPOT MKT IN TOKYO SINCE AUGUST 1971 (WSJ; OFUSA, NYT TOKYO).

COONEY (WSJ) DOES FEATURE ON KIKKOMAN INTL'S PHENOMENAL SUCCESS IN CRACKING US MKT. NOTES THIS YR FIRM TOOK OVER LION'S SHARE 20-MIL-DOL PER YR US SOY-SAUCE MKT BY SURPASSING 2 US RIVALS. IN ESSENCE, KIKKOMAN HAS BEEN ABLE PERSUADE US CONSUMERS SOY SAUCE "AS AMERICAN AS HAMBURGERS."

2. SINGAPORE/VIETNAM

REUTER (SINGAPORE 12/15) REPORTS 4 VIET HIJACKERS SENTENCED TO 14 YRS ON ARMS CHARGES CONNECTED W/HIJACKING

VIET AIRLINER TO SINGAPORE PLEADED FOR LENIENCY, SAYING
THEY STAGED HIJACK TO ESCAPE FROM SUFFERING IN VN; BUT
SINGAPORE COURT RULED CIRCUMSTANCES DEMANDED MAX PENALTY
(ALSO NYT).

3. VIETNAM

SRV DEP FONMIN PHAN HIEN ARRIVED PARIS THURS FOR NEW
ROUND NEGOTS W/US ON ESTABLISHING DIPLO/TRADE RELS
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(REUTER 12/15).

4. INDOCHINA REFUGEES/ AUSTRALIA

ACCORDING "SYDNEY MORNING HERALD," GOA PLANS AIRLIFT
AT LEAST 1,000 REFUGEES FROM MALAYSIA IN NEXT 5 WKS.
OFFICIAL ANNOUNCEMENT NOT EXPECTED UNTIL SHORTLY BEFORE
AIRLIFT STARTS 12/23 (REUTER; ALSO CSM).

5. AUSTRALIA

ACTU THURS RECOMMENDED IMMEDIATE BAN ON ALL FURTHER
URANIUM EXPORTS, SETTING STAGE, ACCORDING JOC SPEC
(MELBOURNE), FOR MAJOR CLASH W/GOA AND SPLIT W/IN OWN
RANKS. UNION HAS PROPOSED POLL OF MEMBERS ON RECOMMENDA-
TIONS FOR TOTAL/PERMANENT BAN ON HANDLING NUKE FUEL, W/
DRAWAL OF LABOR FROM URANIUM MINES, BAN ON SUPPLIES TO
MINES. JOC SAYS BAN COULD PROMPT GOA GO AHEAD W/THREAT USE
TROOPS/NAVAL EQUIPMENT TO SHIP SUPPLIES, CAUSING POSSIBLE
VIOLENCE.

6. LAOS

NYT RUNS PHOTO LAOTIAN LEADERS GATHERED AT VIENTIANE
DEFENSE MINISTRY TO WATCH MIL PARADE. SOUVANNA PHOUMA,
REDUCED IN RANK TO COUNSELOR, IS IN PIX, BUT NOT WAVING
LIKE OTHERS.

7. MALAYSIA

GOM HAS REFUSED LET CONCORDE USE ITS AIR SPACE, CITING
ENVIRONMENTAL FACTORS; UK MAKING LAST-DITCH EFFORTS TO
PRESERVE AIRLINER'S NEWLY-INAUGURATED SERVICE BETWN
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LONDON/SINGAPORE. FIRST 3 FLIGHTS POSSIBLE BECAUSE INDO
ALLOWED PLANE FLY OVER ITS TERRITORY; NOW SAYING WILL NOT
ALLOW THEM UNTIL LONDON/KL AGREEMENT REACHED
(REUTER KL).

8. INDONESIA

INDO ARMED FORCES WARN THEY WILL CRUSH ANY GROUPS CONSIDERED SUBVERSIVE OR BENT ON WRECKING COMING NATL ASSEMBLY SESSION. AP (JAKARTA, NYT) SAYS WARNING IN RESPONSE TO WIDESPREAD STUDENT PROTESTS, MAINLY AGAINST RISING PRICES/GOVT CORRUPTION/"UNDEMOCRATIC RULE." PRESS ALSO ASKED HELP "COOL DOWN" POL CLIMATE BY NOT REPORTING STORIES THAT MIGHT PROVOKE ANTI-GOVT PROTESTS.

9. CHINA

NCNA REPORTED 12/15 WU TEH RE-ELECTED PEKING MAYOR, DESPITE RUMORS HE WAS UNDER CRITICISM FOR EARLIER LEANING TOWARD GANG OF 4/ALSO WAS ANTI-TENG HSIAO-PING. OTHER LOCAL ELECTIONS NOW BEING HELD THRUOUT PRC IN PREPARATION FOR CONVENING OF 5TH NPC IN SPRING, PAPER SAID (WU, SUN HK). OTHER POL DEVELOPMENTS: (1) POSTERS IN PEKING ANNOUNCED APPOINTMENT HU YAO-PANG TO HEAD CCP'S ORGANIZATION DEPT. CLOSE ASSOCIATE OF TENG HSIAO-PING, HU'S APPOINTMENT SEEN AS ANOTHER INDICATION TENG'S INCREASING POWER; (2) NCNA REPORTS JEN JUNG CONFIRMED AS CHRMN OF TIBETAN REGION'S REV CMTE IN MTG HELD 11/29-12/3; (3) IN MOVE APPARENTLY CONNECTED W/MAJOR CAMPAIGN NOW UNDERWAY TO ROOT OUT INFLUENCE GANG OF 4 SUPPORTS, YANG I-CHEN NAMES 1ST SECY HEILUNGKIANG PROVINCE CP. IN RADIO BROADCAST, YANG REPORTEDLY STATED CERTAIN PEOPLE IN PROVINCE HAD BEEN SUPPRESSING STRUGGLE AGAINST GANG FOLLOWERS. UNCLEAR WHAT HAPPENED TO LU LIU KUANG-TAO, MAN YANG REPLACED (MACKENZIE, REUTER PEKING 12/15).

IN 1ST PETITION EVER FILED AGAINST COMMUNIST COUNTRY UNDER UNCLASSIFIED

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'74 TRADE ACT, US WORK GLOVE MANUFACTURERS ASSN (WGMA) CHARGED 12/15 THAT INCREASED IMPORTS PRC GLOVES ARE COSTING HUNDREDS OF AMERICANS JOBS. WGMA ASKED INTL TRADE COMM (ITC) FOR "SPEEDY RELIEF" FOR US INDUSTRIES INJURED BY PRC IMPORTS (REUTER 12/15).

US OFFICIALS SAID TO BE HOPEFUL ACTION AGAINST WORK GLOVES WILL NOT HAVE ADVERSE EFFECT ON US-CHINA TRADE. UN-IDENTIFIED DOS OFFICIAL SAID PRC HAD BEEN TOLD THAT SHARP JUMP IN WORK GLOVE SHIPMENTS WAS CAUSING PROBLEMS/THAT DOMESTIC PRODUCERS MIGHT FILE FOR RELIEF W/ITC. UNDER SPECIAL PROVISIONS PERTAINING TO COMMUNIST COUNTRIES, ITC MUST ACT W/IN 3 MONTHS (ROWE, WP). QUOTES SOUGHT BY WGMA WILL LIMIT PRC DELIVERIES TO 350,000 DOZEN PRS GLOVES ANNUALLY AS OPPOSED TO 1 MILLION PRS IMPORTED LAST YR (LAWRENCE, JOC).

REUTER (PEKING, 12/14 NYT) REPORTS GEN MOHAMMAD ZIA UL-HAQ,

PAK MIL RULER, ON 1ST VISIT TO PRC, ARRIVED SHANGHAI
12/14.

10. PHILIPPINES

PHILS SUPREME COURT THURS CHALLENGED MARTIAL LAW RULE BY
CALLING HALT TO MIL TRIBUNAL PROCEEDINGS WHICH SENTENCED
AQUINO TO DEATH. ACCORDING REUTER (MANILA 12/15), AQUINO
LOOKED ON IN SURPRISE AS CHIEF JUSTICE ANNOUNCED MIL
TRIBUNAL HAD TREATED SUPREME COURT W/LACK RESPECT BECAUSE
IT PASSED SENTENCE ON AQUINO WHILE HABEAS CORPUS PETITION
PENDING BEFORE COURT. FURTHER ACTION ON CASE ASKED BE
SUSPENDED UNTIL COURT DECIDES WHETHER MIL TRIBUNAL HAD
RIGHT TRY AQUINO--"MINOR VICTORY" FOR AQUINO, ACCORDING
NYT'S BUTTERFIELD (MANILA).

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COURT STOPPED SHORT OF FORMAL RESTRAINT; BUT SAID IT
EXPECTED TRIBUNAL RESPECT ITS REQUEST TO SUSPEND HEARINGS.
ACCORDING REUTER, WAS 1ST TIME IN MEMORY SUCH ANNOUNCEMENT
MADE DURING COURT HEARING. BUTTERFIELD SAID ANNOUNCEMENT
MADE TO GAIN TIME DECIDE ON AQUINO'S MOTHER'S PETITION FOR
WRIT OF HABEAS CORPUS. LATER REUTER REPORTED TRIBUNAL
HAS AGREED CANCEL FURTHER PROCEEDINGS FOR TIME BEING
(ALSO PHINQ MANILA, ACCOMPANIED BY PHOTO AQUINO; AP
MANILA, SUN; NYT ARTICLE W/AP PHOTO MARCOS).

CSM'S MORITZ (HK) SAYS BOTH SUPPORTERS/CRITICS MARCOS
AGREE HE WILL HANDILY WIN 12/17 REFERENDUM ON WHETHER
STAY IN OFFICE BEYOND NEXT SPRING--BUT THEY DISAGREE ON
WHY. SUPPORTERS CALL THIS WAY OF TESTING POPULAR
SENTIMENT; CRITICS CALL REFERENDUM "PRE-COOKED DISH."
SAYS OPPONENTS HAVE USED ELECTION DEBATE PERIOD TO
EMPHASIZE CRITICISM CONTINUED MARTIAL LAW; 2 CRITICS
ESPECIALLY OUTSPOKEN--MACAPAGAL/SALONGA.

COMMENT AND ANALYSIS

11. JAPAN

WP'S PINE OPINES 4 DAYS US/JAPAN TALKS HAVE PRODUCED
"MODEST BUT IMPORTANT PROGRESS" TOWARD PRODDING JAPANESE
INTO DEALING W/TRADE BALANCE. STATES USHIBA WASN'T IN
US TO NEGOTIATE--ONLY TO "REASSERT" TOKYO'S POSITION/
"TEST THE WINDS" IN CONGRESS. SEES JAPAN REGAINING FACE
BY TAKING HARD LINE STANCE TO US, NOTING USHIBA MADE CLEAR
SERIOUS NEGOTS COULDN'T REALLY BEGIN UNTIL GOJ ANNOUNCED
NEW STIMULUS PKG 12/21.

ON US/JAPAN TRADE TALKS, GLOBE EDIT (12/14) REMARKS SOLU-
TION TO ALL TRADE PROBLEMS MUST COME FROM EXPANDED, NOT
CONTRACTED, COMMERCE. NOTES FREER TRADE MEANS LOWER

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DEFICITS/BETTER LIVING STDS. SAYS CONVINCING JAPANESE
THEY MUST BEND MORE MAY BE HARD WORK, BUT WORTHWHILE FOR
ENTIRE WORLD.

12. KOREA

DETROIT NEWS (12/2) STATES INSTEAD OF RESISTING US
EFFORTS GET HELPFUL TESTIMONY IN INFLUENCE-BUYING PROBES,
ROKG "WOULD BE WISE" OFFER SUCH AID IN ORDER PRESERVE
TRADITIONAL GOOD RELS W/US. NOTES SK "FAR TOO IMPORTANT"
TO US STRATEGY IN PAC TO BE SET ADRIFT; US SHOULD AVOID
THREATENING W/DRAW FRIENDSHIP/SUPPORT. HOWEVER, SAYS
"OCCASION DOES CALL FOR A REMINDER OF MUTUAL OBLIGATIONS."

13. CHINA

NYDN BRIEF NOTES AFTER SEVERAL MONTHS IN PRC SHIRLEY
TEMPLE BLACK SUGGESTS "3 SIMULTANEOUS MOVES CAN BE MADE"
ON US/PRC NORMALIZATION: "WE WOULD RECOGNIZE CHINA, WITH-
DRAW RECOGNITION OF TAIWAN AND MAINTAIN OUR MUTUAL
DEFENSE TREATY W/TAIWAN." BRIEF NOTES "MAY BE HARD TO
LISTEN TO SOMEONE WHO ONCE PLAYED 'WEE WILLIE WINKIE'
EXPOUND ON WORLD AFFAIRS."

14. VIETNAM

STILL CONCENTRATING ON EVENTS LEADING TO SAIGON'S
EVACUATION, FRANK SNEPP, IN EXCERPTS FROM "DECENT
INTERVAL," DESCRIBES BURNING OF 2 MILLION DOLS IN EMBASSY
CONTINGENCY FUNDS, ORDERED BY AMB, THEN HALTED JUST AS
SACKS WERE LIT. WRITES ABOUT CIA CHIEF POLGAR'S PRE-
OCCUPATION W/PICKUP OF 30 CONTACTS/FRIENDS HE HAD ASKED
ASSEMBLE AT HIS HOME. OF ALL MISSION COUNCIL MEMBERS,
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SAYS POLGAR ONE OF FEW WHO HAD BECOME "VIETNAM-IMPRINTED"
DURING TOUR, AND NOW BEGAN SINKING INTO "EMOTIONAL COMA"
AS OLD ORDER COLLAPSED/HIS SYMPATHIES/ATTACHMENTS
COLLAPSED AROUND HIM (WSTAR 12/15). VANCE

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